

REPORT - PLANNING COMMISSION MEETING
June 24, 2004

Project Name and Number: Housing Element Implementation Program 21
(PLN2004-00251 and PLN2004-00272)

Applicant: City of Fremont

Proposal: To consider a City-initiated General Plan Amendment and Rezoning application to allow either multi-family housing or mixed-use on several parcels cumulatively totaling 26.55 acres of land located in two separate portions of the city, as follows:

Site 1: Area has been removed from consideration at this time.

Site 2: Area has been removed from consideration at this time.

Site 3: Area has been removed from consideration at this time.

Site 4 (PLN2004-00251): To re-designate and rezone one parcel in an area known as "Niles and Kraftile". The site consists of a 1.26 acre industrially zoned property. The intent of the proposed project is to change the existing General Plan land use designation of General Industrial to Residential Medium Density (15 to 18 dwellings per acre). A rezoning is proposed from General Industrial to Multi-Family Residential (R-3-18) to ensure consistency between the General Plan designation and site zoning.

Site 5 (PLN2004-00272): To re-designate and rezone four parcels in an area known as "Kato and Warm Springs". The site consists of 25.29 acres of industrially zoned properties. The intent of the proposed project is to change the existing General Plan land use designation from Restricted Industrial with a Commercial overlay to Residential Medium Density (11 to 15 dwellings per acre), Residential Medium Density (18 to 23 dwellings per acre) and Residential High Density (23 to 27 dwellings per acre). At the same time, a rezoning of the sites from Restricted Industrial (I-R) to Multi-Family Residential (R-3-15, R-3-23 and R-3-27) is proposed to ensure consistency between the General Plan designation and site zoning.

Recommended Action: Recommend to the City Council approval of the General Plan Amendments and Rezonings associated with Housing Element Implementation Program 21.

Location: **Site 1** – as noted above, not proposed for consideration at this time.

Site 2 – as noted above, not proposed for consideration at this time.

Site 3 – as noted above, not proposed for consideration at this time.

Site 4 (PLN2004-00251): The site consists of a 1.26 acre of property zoned General Industrial located at 1097 Kraftile Road (at the northeast corner of Niles Boulevard and Kraftile Road).

Site 5 (PLN2004-00272): The site consists of 25.29 acres of property zoned Restricted Industrial located at the southwest corner of Kato Road and Warm Springs Boulevard. The properties include 48835 Kato Road, 48887 Kato Road, 48999 Kato Road and 48921 Warm Springs Boulevard.

Assessor Parcel Number(s):

Site 4

1097 Kraftile Road (APN 507 005001001)

Site 5

48999 Kato Road (APN 519 101005403)
48921 Warm Springs Boulevard (APN 519 101005803)
48835 Kato Road (APN 519 101006000)
48887 Kato Road (APN 519 101006100)

Area: +/- 26.55 acres

Owners:

Site 4: Pacific States Steel
Site 5: Cal West Industrial Properties
Mission San Jose LLC
Hertz Equipment Rental Corp.

Agent of Applicant: None

Consultant(s): None

Environmental Review: A Mitigated Negative Declaration was prepared and circulated for this project.

Existing General Plan: **Site 4** (PLN2004-00251): General Industrial.
Site 5 (PLN2004-00272): Restricted Industrial with a Commercial Overlay.

Existing Zoning: **Site 4** (PLN2004-00251): General Industrial (G-I).
Site 5 (PLN2004-00272): Restricted Industrial (I-R).

Existing Land Use: **Site 4** (PLN2004-00251): The site is vacant.
Site 5 (PLN2004-00272): The site consists of four properties that contain industrial multi-tenant buildings.

Public Hearing Notice: A total of 118 notices were mailed to owners and occupants of property within 300 feet of the site on the following streets: Kraftile Road, Niles Boulevard, Kato Road and Warm Springs Boulevard. The notices to owners and occupants were mailed on May 11, 2004. A Public Hearing Notice was delivered to The Argus on May 24, 2004 to be published by May 27, 2004. A courtesy notice detailing the sites which have been removed from consideration as a result of the June 10th Planning Commission meeting was sent to owners and occupants within 300 feet of the removed sites, to anyone who spoke at the June 10, 2004 meeting and to anyone who wrote to the Planning Commission regarding the removed sites. These courtesy notices were mailed on June 16 and 17, 2004.

Executive Summary: This proposal implements Program 21 (Commercial and Industrial Re-designation) of the certified Housing Element. Program 21 consists of the re-designation and rezoning of commercially and industrially designated/zoned properties to medium density and high density residential properties to accommodate higher densities

for the production of housing. Staff has identified 5 parcels for such re-designation and rezoning to allow higher residential densities. It is anticipated that Sites 1, 2, and 3, as well as additional sites may be identified under Program 21 and brought before the Planning Commission and City Council at a future time in 2004, after further community engagement.

Staff is requesting that the Planning Commission recommend approval of the proposed Mitigated Negative Declaration and the designations and rezonings of Sites 4 and 5 to the City Council.

Background and Previous Actions: The City is charged by State statute with the responsibility for updating its Housing Element. A Housing Element is a planning document (part of the General Plan) that guides the City's housing efforts. The Housing Element not only provides general goals, objectives and policies but also proposes implementation programs to meet the stated goals and objectives. The Housing Element must also address the City's allocation of housing needs prepared by the Association of Bay Area Governments. The Association of Bay Area Governments (ABAG) has determined the 1999-2006 Regional Housing Needs Distribution Allocation for all Bay Area cities and counties, including Fremont. The total housing need for Fremont is 6,708 units (revised to 4,912 as set forth in the Housing Element). This allocation is based upon ABAG's projections of the City's share of regional job growth and regional household growth during the 1999-2007 period.

Existing law requires the State Department of Housing and Community Development (HCD) to evaluate the programs in the Housing Element for consistency with State law. Those programs include the identification of sites to be made available to encourage the development of a variety of types of housing for all income levels.

On February 12, 2002, the City Council adopted a new Housing Element to replace the previously adopted (May 1991) Element. The City received comments from the State Department of Housing and Community Development (HCD) on June 3, 2002, stating that revisions were necessary prior to State certification. Since June of 2002, staff worked to revise the Housing Element to respond to HCD comments. Council adopted the revised Housing Element on May 13, 2003. On July 17, 2003, HCD informed the City of Fremont that the Housing Element adopted by the City Council on May 13, 2003, was found in compliance with State housing element law. HCD reiterated the need to meet the established timeframes. The City submitted an annual report to HCD on the progress in implementing identified Housing Element programs on October 1, 2003. The next annual report is due on October 1, 2004.

Prior to the June 10, 2004, Planning Commission meeting, staff removed a few of the sites from immediate consideration. Two of those sites were included in Program 21. Those sites are described as follows:

Site 1 (PLN2004-00275): approximately 7.75 acres located on the northwest corner of Stevenson Blvd and Mission Blvd in the Central Planning Area.

Site 2 (PLN2004-00273): approximately 3.72 acres located on the northwest corner of Paseo Padre Parkway and Mowry Avenue in the Central Planning Area.

At the June 10, 2004, Planning Commission meeting, there were a number of concerns raised by interested Fremont residents about the remaining sites under consideration. As a result, staff recommends that the Planning Commission delay consideration of several more sites from the agenda for June 24, 2004. One of those sites proposed for delay is included in Program 21. That site is described as follows:

Site 3 (PLN2004-00274): approximately .99 acre located on the southeast corner of Mowry and Guardino in the Central Planning Area.

Staff recommends that no action be taken on these sites at this time in order to allow staff an opportunity to continue to evaluate the sites and to continue discussions about those sites with interested community members. Only Sites 4 and 5 of Program 21 will be considered by the Planning Commission. The descriptions of those sites are as follows:

Site 4 (PLN2004-00251): approximately 1.26 acres of property located at the northeast corner of Niles Boulevard and Kraftile Road.

Site 5 (PLN2004-00272): approximately 25.29 acres of property zoned Restricted Industrial located at the southwest corner of Kato Road and Warm Springs Boulevard.

Staff recommends that the Planning Commission recommend to the City Council the approval of the General Plan Amendments and Rezonings for Site 4 and Site 5 associated with this tier of Housing Element Implementation Program 21.

Project Description: Staff proposes the re-designations and rezonings of Site 4 and 5 to carry out a portion of the implementation of Program 21 of the Housing Element. This is one of three programs (Programs 18, 19 and 21) that was considered on June 10, 2004, and was continued until June 24, 2004. This staff report covers Program 21 only.

In Program 21, the Housing Element mandates that the City of Fremont consider rezoning of certain “commercial and industrial” properties on the easterly side of Interstate 880 to residential developments aimed at intensifying densities in certain locations along major parkways and arterials and where higher residential densities already exist. During the preparation of the Housing Element, the City identified approximately 119 acres in different planning areas that fell under this category. In order to make the process of re-designation manageable, staff is proposing to bring forth groupings of sites in several cycles in 2004. The first cycle originally includes 5 sites but staff now proposes to only proceed with Site 4 and Site 5, totaling approximately 26.5 acres located in the Niles and Industrial Planning Areas.

The sites that have been identified for redesignation and rezoning at this time are included as Attachments to this report. Exhibits labeled “A” identify the proposed General Plan re-designations. Exhibits labeled “B” identify the proposed rezonings for the subject sites. The following is a description of these sites including proposed re-designations and rezonings:

Site 4 (PLN2004-00251): This site, also known as “Niles and Kraftile,” consists of 1.26 acres of industrially zoned, vacant property located at 1097 Kraftile Road (at the northeast corner of Niles Boulevard and Kraftile Road). This site is located in the Niles Planning Area.

Surrounding land uses are mostly General Industrial in nature, however the Union City Pacific States Steel property, adjacent to this parcel, is currently being developed with Single Family Residences. There are residential uses beyond the adjacent General Industrial uses on Kraftile Road. The City of Fremont sees that redesignating this property and, eventually, this small industrial pocket from General Industrial to medium density residential is appropriate. This site is adjacent to BART and Western Pacific railroad tracks.

The proposal is to change the existing General Plan land use designation from General Industrial to Residential Medium Density (15 to 18 dwellings per acre).

A rezoning is proposed to change from General Industrial to Multi-Family Residential (R-3-18). The property comprising this site is identified in the Housing Element as Site 850. The project will provide an opportunity to accommodate 20 dwellings at the mid-point of the proposed density range.

Site 5 (PLN2004-00272): This site, also known as “Kato and Warm Springs” consists of 25.29 acres of industrially zoned property located at the southwest corner of Kato Road and Warm Springs Boulevard. The properties include 48835 Kato Road, 48887 Kato Road, 48999 Kato Road, and 48921 Warm Springs Boulevard. The site contains industrial warehouses, storage yards, a church and other industrial uses. These properties are located in the Industrial Planning Area.

Surrounding land uses adjacent to the project sites include medium density residential dwellings to the south, restricted industrial to the north and west and low density residential to the east.

The proposal is to change the existing General Plan land use designation from Restricted Industrial to Residential Medium Density (11 to 15 dwellings per acre), Residential Medium Density (18 to 23 dwellings per acre) and Residential High Density (23 to 27 dwellings per acre).

At the same time, a rezoning of the sites from Restricted Industrial (I-R) to Multi-Family Residential (R-3-15, R-3-23 and R-3-27) is proposed to ensure consistency between the General Plan designation and site zoning.

None of the properties comprising this site are identified in the Housing Element. However, the City identified these sites as appropriate sites for redesignation under Program 21 based on their proximity to other residential uses. The project will provide an opportunity to accommodate 433 dwellings at the mid-point of the proposed density ranges.

PROJECT ANALYSIS: Program 21 includes sites that, by nature of their location on one or more arterials and/or major collectors, and vacant and under-utilized status, are prime candidates for a re-designation that allows medium to high residential densities.

The current general plan land use designations for all the currently identified sites are General Industrial or Restricted Industrial. Therefore, a general plan amendment is required in order to allow for higher density residential uses. The proposed general plan amendments will result in the sites having medium and high density residential designations, as identified in Exhibits "A" and "B".

General Plan Conformance: The proposed General Plan Amendment will designate Site 4 and Site 5 to include residential designations at medium and high densities. The following General Plan Goals, Objectives and Policies are applicable to the proposed designations:

Fundamental Goal F8: A Diversity of residential, recreational, cultural, employment and shopping opportunities.

Fundamental Goal H3: Housing affordable and appropriate for a variety of Fremont households at all economic levels throughout the city consistent with the Hill Area Initiative of 2002.

Land Use Policy 1.9: *To achieve a variety of housing types, the City has designated locations where moderate and higher density development is appropriate. Criteria for the location of higher density housing include access to transit, proximity to commercial areas, proximity to collector or arterial street and a transition use where maximum flexibility in site design is required. For those areas where higher densities are indicated on the General Plan Diagram, construction of housing at significantly lower densities than planned would not meet the City's goals. The City therefore established a minimum required density of development for all medium and high density residential uses as follows:*

- When the residential range is between 6.5 and 70 units per acre (ranges 8 – 15), and a development application has not been deemed completed for processing under the provisions of the Permit Streamlining Act by July 1, 2003, the minimum density of the project must be at the midpoint of the density range.*
- When calculation of the midpoint density results in a fraction of a unit equating to 0.50 or more, the minimum density shall be rounded up to the next whole number.*

Reduction in the midpoint density may be approved when environmental constraints or historic preservation goals preclude achievement of the midpoint density. If the property proposed for development contains a Primary Historic Resource, or is listed on the State or National Register of Historic Places, or is determined by the City Council through recommendation from HARB to possess historic significance then minimum density may be waived.

Housing Program Strategy
Implementation 21:

Commercial and Industrial Re-designation...The City will actively solicit property owners and developers interested in the re-designation of commercial and/or industrial lands on the easterly side of Interstate 880 for residential use. From the identified candidate sites, the City Council will determine the suitability of sites for conversion in accordance with other General Plan goals, objectives and policies in order to meet the objectives. Properties to be converted will be rezoned to R-3 (Multiple-Family Residential) or P

(Planned) districts at densities ranging from 5 to 50 units and acre to accommodate a total of 753 units.

The proposed general plan amendments to accommodate additional densities on Sites 4 and 5 are consistent with these land use policies and housing element implementation strategy because redesignation of sites will allow increased opportunities for the production of medium and higher density housing where appropriate, will accommodate residential uses at the minimum established mid-point density ranges, and will implement key Housing Program Strategies that are intended to facilitate the production of new housing in the City of Fremont.

Zoning Regulations: The properties within Sites 4 and 5 are currently zoned General Industrial and Restricted Industrial. They are currently being changed to the R-3 zoning district to accommodate residential development. Future development on these sites will be based primarily upon the development standards contained within the R-3 zoning district.

Zoning District Analysis: R-3 District: The Housing Element Program 11 in Chapter 8 called for the creation of a new multi-family zoning district classification of R-3 to replace the old "step density" districts. The City Council adopted this new classification during the summer of 2003, which includes minimum density requirements for medium through very high-density multi-family developments and establishes a requirement that all projects must meet a minimum mid-point density for approval. In addition, R-3 includes more flexible development standards which provide incentives to developments that help achieve the goals for higher densities and affordable projects. The high end of the density range is indicated in the zoning label for each parcel. The proposed zoning designations are R-3-15, R-3-18, R-3-23 and R-3-27.

ENVIRONMENTAL ANALYSIS: An Initial Study and Draft Mitigated Negative Declaration have been prepared for this project and is submitted for consideration by the Planning Commission and City Council. The Draft Mitigated Negative Declaration includes mitigation measures, which, if implemented, would reduce the identified impacts to non-significant levels. These mitigation measures have been included as conditions of approval for this project. A more detailed description of the potential impacts is provided within the Initial Study for the project, which is included as an enclosure. The review period for the Initial Study and Mitigated Negative Declaration began on May 10, 2004, and concluded on June 10, 2004. The Mitigated Negative Declaration covered all Sites 1-5. Sites 1-3 have been delayed from consideration at this time. However, Sites 4 and 5 were adequately evaluated under the same Mitigated Negative Declaration.

Response from Agencies and Organizations: This project was submitted to the Alameda County Congestion Management Agency (ACCMA) for review to determine if implementation of the proposal would create an impact on the regional transportation network. The agency responded with no comment on the proposed project. No comments were received from any other agency or organization.

ENCLOSURES:

Exhibit "A"	General Plan Exhibit – Site #4/ PLN#2004-00251
Exhibit "B"	Zoning Exhibit – Site #4/ PLN#2004-00251
Exhibit "A"	General Plan Exhibit – Site #5/ PLN#2004-00272
Exhibit "B"	Zoning Exhibit – Site #5/ PLN#2004-00272
Initial Study, Draft Mitigated Negative Declaration	
Mitigation Monitoring Program	
Aerial photos – color photos are available on the website.	

Revised Recommended Actions:

1. Take no action on Site 1 (PLN2004-00275), Site (PLN2004-00274) and Site 3 (PLN2004-00273).
2. Hold separate public hearings for Sites 4 and 5 and then complete recommendations 2-7.

3. Recommend that the City Council find the initial study has evaluated the potential for this project to cause an adverse effect -- either individually or cumulatively -- on wildlife resources. There is no evidence the proposed project would have any potential for adverse effect on wildlife resources on Sites 4 and 5.
4. Recommend that the City Council approve the Mitigated Negative Declaration and find it reflects the independent judgment of the City of Fremont on Sites 4 and 5.
5. Find that General Plan Amendments and the Rezoning to R-3-15, R-3-18, R-3-23 and R-3-27 are in conformance with the relevant provisions contained in the City's General Plan. These provisions include the designations, goals and policies set forth in the General Plan's Land Use and Housing Element Chapters as enumerated within the staff report on Sites 4 and 5.
6. Find that once the redesignation and rezoning is approved for Sites 4 and 5, that when a development project is proposed on these sites, such project will be required to be evaluated individually for its design and conformity to adopted Fremont codes.
7. Make separate recommendations for each of Site 4 and Site 5 recommending that the City Council approve Exhibits "A" (General Plan Amendments), and rezone them to R-3-15, R-3-18, R-3-23 and R-3-27 in conformance Exhibits "B" (Rezoning) for the following sites:

Site 4 (PLN2004-00251) consists of approximately 1.26 acres located on the northeast corner of Niles Boulevard and Kraftile Road.

Site 5 (PLN2004-00272) consists of approximately 25.29 acres located on the southwest corner of Kato Road and Warm Springs Boulevard.

EXHIBIT "A"

Attached to and made a part of

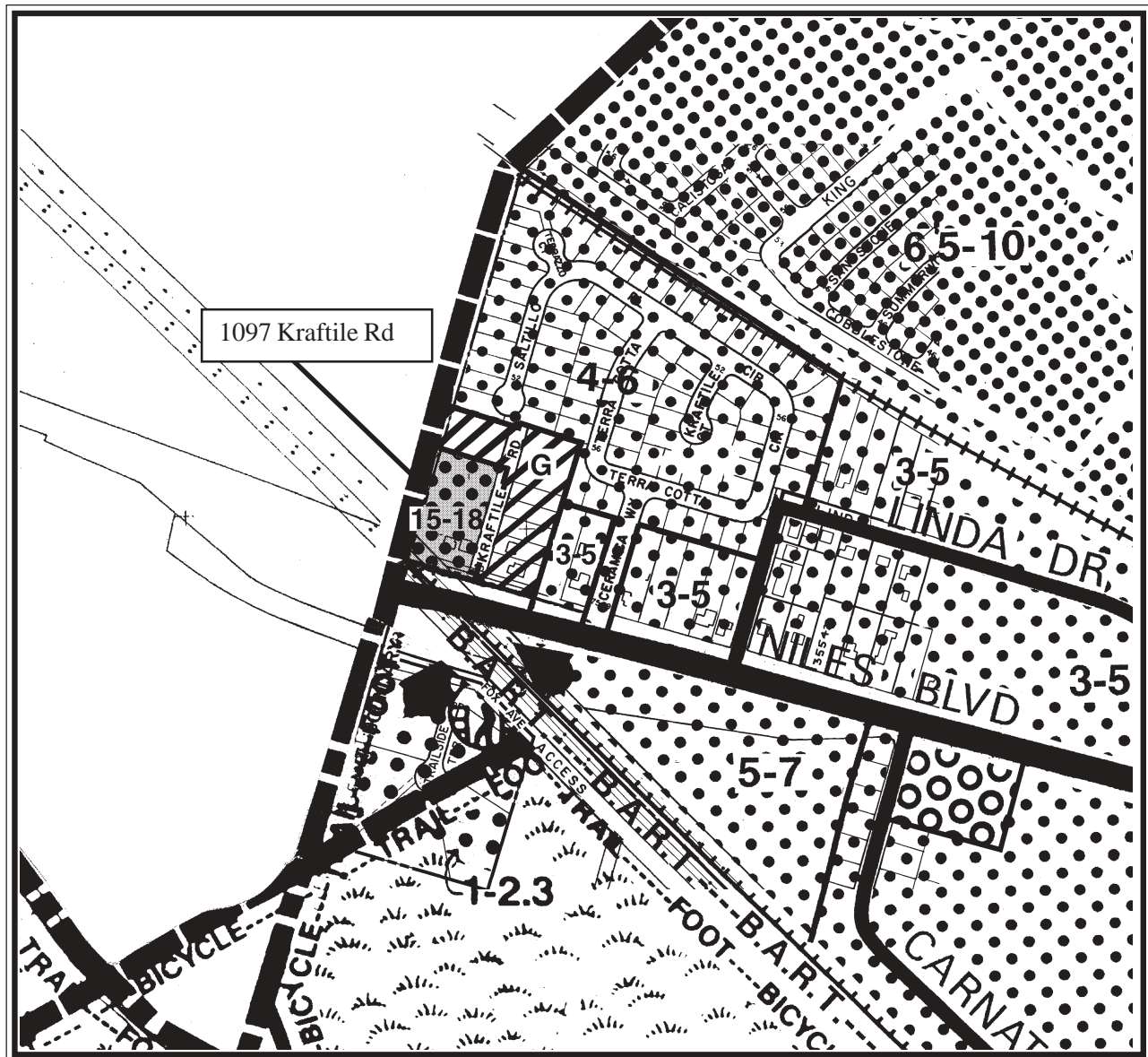
Resolution No. _____

adopted by the City Council of the City of Fremont, California

On the _____ **day of** _____, **20** 04 .

GENERAL PLAN LAND USE DIAGRAM (SECTION)

AFFECTS LAND USE DIAGRAM(S) FOR THE NILES PLANNING AREA



From: General Industrial

To: Residential, Med 15-18 du/ac

[pc on 06-10-04] 60-396

Project Name: Housing Element Implementation Program#21

Project Number: PLN2004-00251 (GPA)



EXHIBIT "A"

Attached to and made a part of

Resolution No. _____

adopted by the City Council of the City of Fremont, California

On the _____ **day of** _____, **20** 04 .

GENERAL PLAN LAND USE DIAGRAM (SECTION)

AFFECTS LAND USE DIAGRAM(S) FOR THE INDUSTRIAL PLANNING AREA



From: Restricted Industrial & Restricted Industrial w C-I overlay

To: Residential, Med 11-15 du/ac, Residential, Med 18-23 du/ac, Residential, High 23-27 du/ac

Project Name: Housing Element Implementation Program #21

Project Number: PLN2004-00272 (GPA)



EXHIBIT "B"

Attached to and made a part of

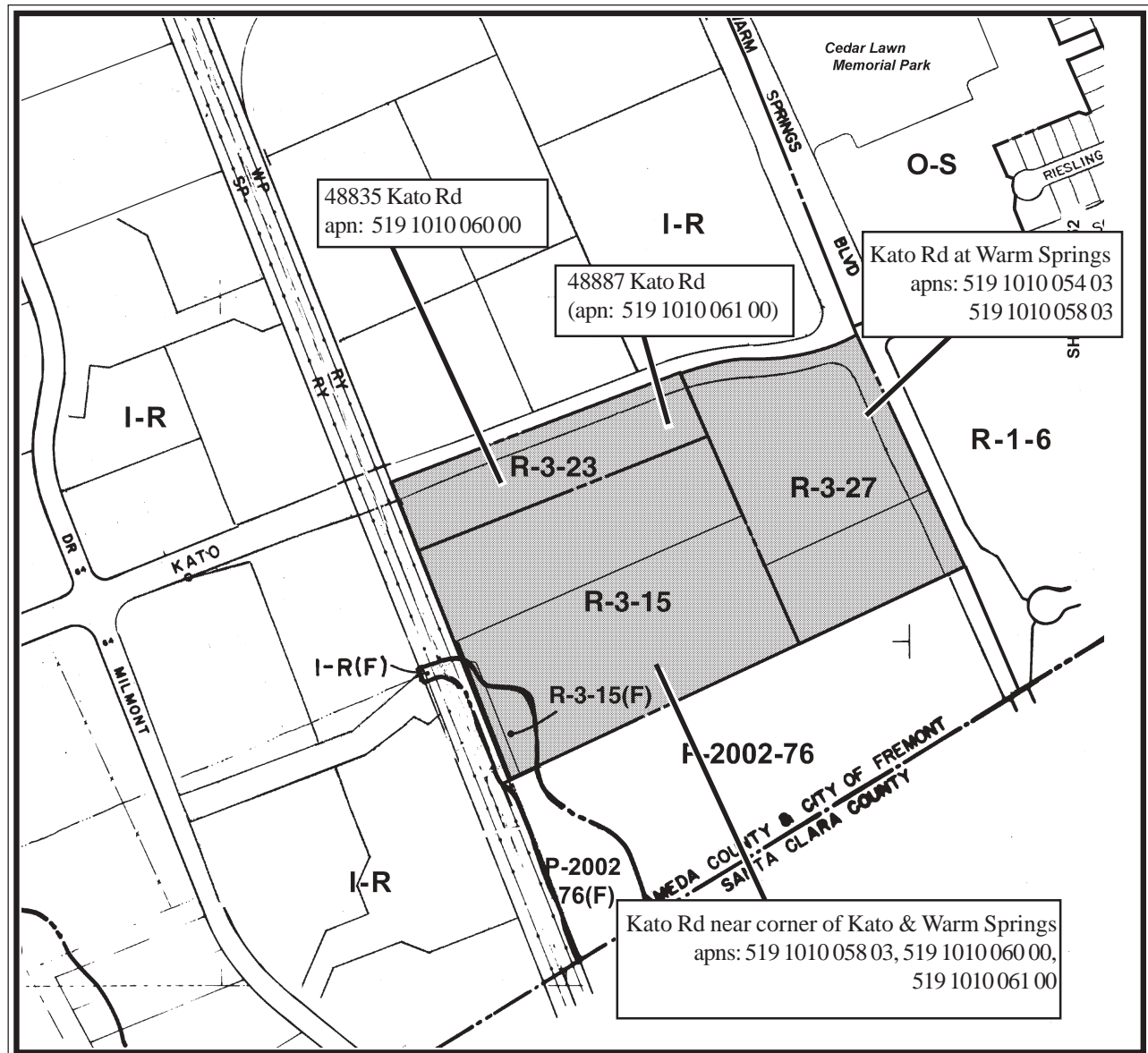
Ordinance No. _____

adopted by the City Council of the City of Fremont, California

On the _____ **day of** _____, **20** 04 .

ZONING MAP (SECTION)

AFFECTS ZONING MAP(S) FOR THE INDUSTRIAL PLANNING AREA



From: I-R, I-R(F)

To: R-3-23, R-3-27, & R-3-15 and R-3-15(F)

Project Name: Housing Element Implementation Program #21

Project Number: PLN2004-00272 (Rez)

[pc on 06-10-04] 84-352





City of Union City
City of Fremont

ACCESS RD

TRAILSIDE TER

KRAFTILE RD

SALTILLO PL

NILES BLVD

CERAMICA WAY



Scale
1:3600
1"=300'

Date: June 16, 2004